

**Prepared Statement of  
the Federal Trade Commission**

**on**

**“Marketing Violent Entertainment to Children:  
A Review of Self-Regulation and Industry Practices  
in the Motion Picture, Music Recording, and Electronic Game Industries”**

**Before the  
Committee on Commerce, Science, and Transportation  
United States Senate**

**Washington, D.C.**

**September 13, 2000**

## **I. Introduction**

Mr. Chairman, I am Robert Pitofsky, Chairman of the Federal Trade Commission. I appreciate this opportunity to discuss the Commission's report on the marketing of violent entertainment products to children by the motion picture, music recording and electronic games industries.<sup>1</sup> The report answers two questions raised by President Clinton when he requested this study: Do the motion picture, music recording and electronic game industries promote products they themselves acknowledge warrant parental caution in venues where children make up a substantial percentage of the audience? And, are these advertisements intended to attract children and teenagers? After a comprehensive 15-month study, the Commission has found that the answers to both questions are plainly "yes."

Although all three industries studied have self-regulatory systems that purport to rate or label their products to help parents make choices about their children's entertainment, the Commission found that members of all three industries routinely target advertising and marketing for violent entertainment products directly to children. The Commission believes that these advertising and marketing efforts undermine each industry's parental advisories and frustrate parents' attempts to protect their children from inappropriate material.

## **II. Background**

The FTC is the federal government's primary consumer protection agency. Congress has directed the FTC, under the FTC Act, to take action against "unfair or deceptive acts or practices" in almost all sectors of the economy and to promote vigorous competition in the marketplace.<sup>2</sup> With the exception of certain industries and activities, the FTC Act provides the Commission with broad

investigative and law enforcement authority over entities engaged in or whose business affects commerce.<sup>3</sup> The FTC Act also authorizes the Commission to conduct studies and collect information, and, in the public interest, to publish reports on the information it obtains.<sup>4</sup>

On June 1, 1999, following the horrifying school shooting in Littleton, Colorado, the President requested that the Federal Trade Commission and the Department of Justice conduct a study of whether violent entertainment material was being advertised and promoted to children and teenagers.<sup>5</sup> President Clinton's request paralleled congressional proposals for such a study.<sup>6</sup> Revelations that the teen-aged shooters at Columbine High School in Littleton had been infatuated with extremely violent movies, music, and video games reinvigorated public debate about the effects of violent entertainment media on youth. While opinions vary, many studies have led experts and public health organizations to believe that viewing entertainment media violence can lead to increases in aggressive attitudes and behavior in children. Although scholars and observers generally have agreed that exposure to violence in entertainment media alone does not cause a child to commit a violent act, there is widespread agreement that it is, nonetheless, a cause for concern.

### **III. The Commission's Study**

#### **A. Scope of the Study**

In response to the President's request, the Commission, with financial assistance from the Justice Department, collected information from the motion picture, music recording, and electronic game industries regarding their self-regulatory systems and marketing practices.<sup>7</sup> The Commission requested information from the principal industry trade associations, as well as the major motion picture studios, the music recording companies, and electronic game companies.<sup>8</sup> In addition, the Commission

contacted interested government agencies, medical associations, academics, and parent and consumer advocacy groups.<sup>9</sup> We reviewed a substantial amount of information collected from consumers through various surveys and polls, and also designed and conducted our own surveys for this study.<sup>10</sup> Specifically, we conducted a survey of parents and children regarding their understanding and use of the rating and labeling systems, and how they made purchase decisions for these entertainment products.<sup>11</sup> We also conducted an undercover survey of retail stores and movie theaters to see if unaccompanied children under 17 could purchase or gain access to products labeled as inappropriate or warranting parental guidance.<sup>12</sup> Finally, we reviewed Internet sites to study how they are used to market and directly access these products.

## **B. The Entertainment Media Industry Self-Regulatory Systems**

The entertainment industries have recognized the public's concern about children's exposure to violent entertainment and have taken steps to alert parents to violent or explicit content through self-regulatory product rating or labeling programs. Each of these programs addresses violence, as well as sexual content, language, drug use and other content that may be of concern to parents.

The motion picture industry uses a rating board to rate virtually all movies released in the United States, requires the age-related rating to appear in advertising, and makes some effort to review ads for rated movies to ensure that their content is suitable for general audiences. The music recording industry recommends the use of a general parental advisory label on music with "explicit content." The decision to place a parental advisory label on a recording is made by the artist and the music publishing company and involves no independent third-party review; nor does the industry provide for any review of marketing and advertising. In late August 2000, the recording industry trade association issued a

recommendation that recording companies not advertise explicit-content labeled recordings in media outlets with a majority under-17 audience. The electronic game industry requires games to be labeled with age- and content-based rating information and requires that the rating information appear in advertising. It also is the only industry that has adopted a rule prohibiting its marketers from targeting advertising for games to children below the age designations indicated by the rating.

#### **IV. The Commission's Findings**

The Commission carefully examined the structure of these rating and labeling systems, and studied how these self-regulatory systems work in practice. We focused on the marketing of products designated as violent under these systems. We did not examine the content itself, but accepted each industry's determination of whether a particular product contains violent content.

The Commission found that despite the variations in the three industries' systems, the outcome is consistent: individual companies in each industry routinely market to children the very products that have industries' self-imposed parental warnings or ratings with age restrictions due to violent content. Indeed, for many of these products, the Commission found evidence of marketing and media plans that expressly target children under 17. In addition, the companies' marketing and media plans showed strategies to promote and advertise their products in the media outlets most likely to reach children under 17, including those television programs ranked as the "most popular" with the under-17 age group, such as *Xena: Warrior Princess*, *South Park* and *Buffy the Vampire Slayer*; magazines and Internet sites with a majority or substantial (*i.e.*, over 35 percent) under-17 audience, such as *Game Pro*, *Seventeen* and *Right On!*, as well as *mtv.com*, *ubl.com* and *happypuppy.com*; and teen

hangouts, such as game rooms, pizza parlors and sporting apparel stores.

**Movies.** Of the 44 movies rated R for violence the Commission selected for its study, the Commission found that 35, or 80 percent, were targeted to children under 17. Marketing plans for 28 of those 44, or 64 percent, contained express statements that the film’s target audience included children under 17. For example, one plan for a violent R-rated film stated, “Our goal was to find the elusive teen target audience and make sure everyone between the ages of 12-18 was exposed to the film.” Though the marketing plans for the remaining seven R-rated films did not expressly identify an under-17 target audience, they led the Commission to conclude that children under 17 were targeted nonetheless. That is, the plans were either extremely similar to the plans of the films that did identify an under-17 target audience, or they detailed actions synonymous with targeting that age group, such as promoting the film in high schools or in publications with majority under-17 audiences.

**Music.** Of the 55 music recordings with explicit content labels the Commission selected for its study, marketing plans for 15, or 27 percent, expressly identified teenagers as part of their target audience. One such plan, for instance, stated that its “Target audience” was “Alternative/urban, rock, pop, hardcore – 12-34.” The marketing documents for the remaining 40 explicit-content labeled recordings examined did not expressly state the age of the target audience, but they detailed the same methods of marketing as the plans that specifically identified teens as part of their target audience, including placing advertising in media that would reach a majority or substantial percentage of children under 17.

**Games.** Of the 118 electronic games with a Mature rating for violence the Commission selected for its study, 83, or 70 percent, targeted children under 17. The marketing plans for 60 of

these, or 51 percent, expressly included children under 17 in their target audience. For example, one plan for a game rated Mature for its violent content described its “target audience” as “Males 12-17 – Primary Males 18-34 – Secondary.” Another plan referred to the target market as “Males 17-34 due to M rating (the true target is males 12-34).” Documents for the remaining 23 games showed plans to advertise in magazines or on television shows with a majority or substantial under-17 audience. Most of the plans that targeted an under-17 audience set age 12 as the younger end of the spectrum, but a few plans for violent Mature-rated games targeted children as young as six.

Further, most retailers make little effort to restrict children’s access to violent products. Surveys conducted for the Commission in May through July 2000 found that just over half the movie theaters admitted children ages 13 to 16 to R-rated films even when not accompanied by an adult. The Commission’s surveys of young people indicate that, even when theaters refuse to sell tickets to unaccompanied children, they have various strategies to see R-rated movies. The Commission’s surveys also showed that unaccompanied children ages 13 to 16 were able to buy both explicit content recordings and Mature-rated electronic games 85 percent of the time.

Although consumer surveys show that parents value the existing rating and labeling systems, they also show that parents’ use and understanding of the systems vary. The surveys also consistently reveal high levels of parental concern about violence in the movies, music and video games their children see, listen to and play. These concerns can only be heightened by the extraordinary degree to which young people today are immersed in entertainment media, as well as by recent technological advances such as realistic and interactive video games. The survey responses indicate that parents want and welcome help in identifying which entertainment products might not be suitable for their

children.

## **V. Conclusions**

Since the President requested this study over a year ago, each of the industries reviewed has taken positive steps to address these concerns. Nevertheless, the Commission believes that all three industries should take additional action to enhance their self-regulatory efforts.<sup>13</sup> The industries should:

1. *Establish or expand codes that prohibit target marketing to children and impose sanctions for noncompliance.* All three industries should improve the usefulness of their ratings and labels by establishing codes that prohibit marketing R-rated/M-rated/explicit-labeled products in media or venues with a substantial under-17 audience. In addition, the Commission suggests that each industry's trade associations monitor and encourage their members' compliance with these policies and impose meaningful sanctions for non-compliance.

2. *Increase compliance at the retail level.* Restricting children's retail access to entertainment containing violent content is an essential complement to restricting the placement of advertising. This can be done by checking identification or requiring parental permission before selling tickets to R movies, and by not selling or renting products labeled "Explicit" or rated R or M, to children.

3. *Increase parental understanding of the ratings and labels.* For parents to make informed choices about their children's entertainment, they must understand the ratings and the labels, as well as the reasons for them. That means the industries should all include the reasons for the rating or the label in advertising and product packaging and continue their efforts to educate parents – and



children – about the meanings of the ratings and descriptors. Industry should also take steps to better educate parents about the ratings and labels.

The Commission emphasizes that its review and publication of its Report, and its proposals to improve self-regulation, are not designed to regulate or even influence the content of movies, music lyrics or electronic games. The First Amendment generally requires that creative decisions about content be left to artists and their distributors. Rather, the Commission believes the industries can do a better job of helping parents choose appropriate entertainment for their children by providing clear and conspicuous notification of violent content. Industry self-regulation also should support parents' decisions by prohibiting the direct sale and marketing to children of products labeled as inappropriate or warranting parental guidance due to their violent content.

Implementation of the specific suggestions outlined above would significantly improve the present self-regulatory regimes. The Report demonstrates, however, that mere publication of codes is not sufficient. Self-regulatory programs can work only if the concerned industry associations actively monitor compliance and ensure that violations have consequences. The Commission believes that continuous public oversight is also required and that Congress should continue to monitor the progress of self-regulation in this area.

1.The Commission vote to issue this testimony was 5-0. My oral testimony and any responses to questions you may have reflect my own views and are not necessarily those of the Commission or any other Commissioner.

2.15 U.S.C. § 45(a).

3. The Commission also has responsibility under 46 additional statutes governing specific industries and practices. These include, for example, the Truth in Lending Act, 15 U.S.C. §§ 1601 *et seq.*, which mandates disclosures of credit terms, and the Fair Credit Billing Act, 15 U.S.C. §§ 1666 *et seq.*, which provides for the correction of billing errors on credit accounts. The Commission also enforces over 30 rules governing specific industries and practices, *e.g.*, the Used Car Rule, 16 C.F.R. Part 455, which requires used car dealers to disclose warranty terms via a window sticker; the Franchise Rule, 16 C.F.R. Part 436, which requires the provision of information to prospective franchisees; the Tele-marketing Sales Rule, 16 C.F.R. Part 310, which defines and prohibits deceptive telemarketing practices and other abusive telemarketing practices; and the Children’s Online Privacy Protection Rule, 16 C.F.R. Part 312.

The Commission does not, however, have criminal law enforcement authority. Further, under the FTCA, certain entities, such as banks, savings and loan associations, and common carriers, as well as the business of insurance, are wholly or partially exempt from Commission jurisdiction. *See* Section 5(a)(2) and (6)a of the FTC Act, 15 U.S.C. § 45(a)(2) and 46(a). *See also* The McCarran-Ferguson Act, 15 U.S.C. § 1012(b).

4. 15 U.S.C. §§ 46(b) and (f). Section 46(f) of the FTC Act provides that “the Commission shall also have the power . . . to make public from time to time such portions of the information obtained by it hereunder as are in the public interest; and to make annual and special reports to Congress. . . .”

5. *See* Letter from William J. Clinton, President of the United States, to Janet Reno, Attorney General of the United States, and Robert Pitofsky, Chairman, Federal Trade Commission (June 1, 1999) (on file with the Commission).

6. Legislation calling for the FTC and the Justice Department to conduct such a study was introduced in both houses of Congress following the Columbine incident. *See* Amendment No. 329 by Senator Brownback *et al.* to the *Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999*, S. 254, 106th Cong. § 511 (1999); H.R. 2157, 106th Cong. (1999); 145 Cong. Rec. S5171 (1999). In May 1999, the U.S. Senate Committee on Commerce, Science, and Transportation conducted hearings on the marketing of violent entertainment media to children. *See Marketing Violence to Children: Hearing Before the Senate Comm. on Commerce, Science, and Transp.*, 106th Cong. (1999), [www.senate.gov/~commerce/hearings/hearin99.htm](http://www.senate.gov/~commerce/hearings/hearin99.htm) (visited July 30, 2000). Based on those hearings, in September 1999, the Majority Staff of the Senate Committee on the Judiciary issued a committee report on this issue. *See* Majority Staff of the Senate Comm. on the Judiciary, 106th Cong., *Report on Children, Violence, and the Media: A Report for Parents and Policy Makers* (Comm. Print. 1999), [www.senate.gov/~judiciary/mediavio.htm](http://www.senate.gov/~judiciary/mediavio.htm) (visited July 31, 2000).

7. The Justice Department provided the FTC with substantial funding and technical assistance to enable the FTC to collect and analyze public and non-public information about the industries’ advertising and marketing policies and procedures, and to prepare this written report and appendices. The analysis

and conclusions contained in the Report are those of the FTC.

8.The Commission received information from about 50 individual companies, as well as the Motion Picture Association of America (MPAA), the National Association of Theatre Owners (NATO), the Recording Industry Association of America (RIAA), the National Association of Recording Merchandisers (NARM), the Entertainment Software Rating Board (ESRB), the Video Software Dealers Association (VSDA), the Interactive Digital Software Association (IDSA), the Internet Content Rating Association (ICRA), the Software and Information Industry Association (SIIA), the Interactive Entertainment Merchants Association (IEMA), and the American Amusement Machine Association (AAMA).

9.In addition to industry sources, the Commission received information from a wide range of consumer, medical, and advocacy organizations. The American Academy of Pediatrics, American Psychological Association, Center on Media Education, Center on Media and Public Affairs, Children Now, Commercial Alert, Lion and Lamb Project, Mediascope, National Institute on Media and the Family, National PTA, and Parents' Music Resource Center were among the organizations that provided information to the Commission.

10.*See Appendix E (Entertainment Industry Information Requests).*

11.*See Appendix F (Mystery Shopper Survey and Parent-Child Survey)* of the Commission's Report.

12.*Id.*

13.The Commission's support for enhanced industry self-regulation in the advertising context is motivated in part by our strong belief in the benefits of self-regulation, and in part by our concern that government regulation of advertising and marketing – especially if it involves content-based restrictions – may raise First Amendment issues. The First Amendment issues that have been raised in the context of restricting or limiting advertisements for media products are identified in Appendix C of the Commission's Report (*First Amendment Issues in Public Debate Over Governmental Regulation of Entertainment Media Products with Violent Content*).